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In the Supreme Court of the United States

October Term, 1973

No. 73-135

KING NUT COMPANY,
Petitioner,

vs.

BEER NUTS, INC.,
Respondent.

REPLY BRIEF OF PETITIONER

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In reply to the arguments in Respondent's Brief, the Petitioner submits:

(1) That although Respondent urges that there is no evidence in the record to substantiate all the factual statements contained in the Petition, the record will bear out that Petitioner was denied its day in court. This was effected by the device of a summary judgment based upon the Court's theory of *contract estoppel* whereby Petitioner was barred from showing descriptiveness of BEER NUTS for beer nuts.

This denial of the Petitioner's right to establish its defense of descriptiveness of BEER NUTS and its defense

of unclean hands through false patent marking, was also accomplished by preventing Petitioner from pursuing discovery through repeatedly filed Interrogatories (Three Sets) and repeatedly filed Requests For Admissions. Some of these Interrogatories had been filed long before the District Court made its preliminary conclusion of April 11, 1972.

It comes with rather poor grace on the part of Respondent to now rely upon the fact that Petitioner has been denied its right to establish its defenses by evidence.

There remains the issue of whether by contract one is estopped from freely using ideas in the public domain, including the idea of simply describing one's goods by its purely descriptive name.

(2) The two decisions cited in the first paragraph on page 8 of Respondent's Brief are of no utility whatever as guides in the instant case. These two decisions were also cited in the Court of Appeals decision below (found on page 26 of the Appendix to Petitioner's Brief).

The one cited decision of *E. F. Prichard Co. v. Consumer's Brewing Co.*, 136 F.2d 512; 58 USPQ 362 (6th Cir. 1943), merely involved the interpretation and enforcement of an agreement made by two partners as to ownership of a trademark used by them in a later controversy between one partner and a company succeeding to the rights of the other partner. There was no question whatever as to whether the contract created an estoppel to establish descriptiveness of the trademark. The decision is foreign to the point here involved.

The other cited decision of *Peyrat v. L. N. Renault & Sons*, 247 F. Supp. 1009; 148 USPQ 77 (S.D., N.Y. 1965), is also far afield. In that case the two parties one of whom,

a French concern, for many years had used RENAULT as a trademark for brandy, and the other of whom, an American concern, for many years had used RENAULT as a trademark for wines, had agreed between themselves that there was no conflict between the concurrent use of the same mark on these distinctly different products. After finding as a fact that there was no confusion and that the public would not be injured by such concurrent use, the Court recognized the persuasiveness of the agreement that had been made by the parties and so adjudged that there was no conflict. That decision too is of no value as a guide in resolving the issue here presented.

(3) The *judicial* decision of the Court of Customs and Patent Appeals in *Milwaukee Nut Co. v. Brewster Food Service*, 277 F.2d 190; 125 USPQ 399, quoted on pages 17-18 of the Petition, is not to be dismissed as a mere administrative ruling as attempted to be done on page 8 of Respondent's Brief. That decision is corroboration by a Court of the Petitioner's position that BEER NUTS is in truth merely descriptive of sweetened salted peanuts, that is, of beer nuts. If not barred by the theory of "contract estoppel" the Petitioner would be able independently to prove that BEER NUTS is purely descriptive and in the public domain as the correct way to describe beer nuts.

CONCLUSION

It is an important issue of public policy as to whether the ancient right to use words of the language to fairly describe one's product is to be denied on the basis of "contract estoppel" as applied below.

The grant of the Petition will resolve that issue of law.

Respectfully submitted,

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